PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)

BASIC FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2026

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
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(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
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PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2026

SCHOOL BOARD

Name	Position
Angelique Alarcon	President
Maria Villasana	Vice-President
Carlos Puche	Treasurer

ADMINISTRATION

Alejandro Camurri	:	Principal
Rodney Thomas	:	Dean of students
Landy Laredo	:	Assistant Principal

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Paragon Academy of Technology, Inc.
Hollywood, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Paragon Academy of Technology, Inc. as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Paragon Academy of Technology, Inc.'s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Paragon Academy of Technology, Inc., as of June 30, 2026, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Paragon Academy of Technology, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter — Change in Accounting Principle

As discussed in Note 1.M to the financial statements, the school adopted the provisions of GASB Statement No. 103, Financial Reporting Model Improvements, for the year ended June 30, 2026. Adoption affected the organization of management's discussion and analysis, the presentation of unusual or infrequent items, and the variance columns and explanations in the budgetary comparison schedules. It did not change beginning net position or beginning fund balances. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Paragon Academy of Technology, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Paragon Academy of Technology, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Paragon Academy of Technology, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 9–17 and 37–39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2026, on our consideration of Paragon Academy of Technology, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Paragon Academy of Technology, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Paragon Academy of Technology, Inc.'s internal control over financial reporting and compliance.



Thomas & Company, CPA, PA
Cooper City, Florida
September 25, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Our discussion and analysis of the Paragon Academy of Technology, Inc.'s, (the School) financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2026. It should be read in conjunction with the School's financial statements which immediately follow this discussion.

For financial reporting purposes, School is considered a component unit of the District School Board of Broward County, Florida, which is a primary government entity for financial reporting. School has included separate statements for the Statement of Net Position, the Statement of Activities, the Balance Sheet of Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds. The Governmental Fund Financial Statements reflect financing activities of the School by providing information on inflows and outflows of spendable resources, while the Statement of Net Position and the Statement of Activities provide information on all of the activities of the School.

I. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of Management's Discussion and Analysis (this section), the basic financial statements, the notes to the financial statements, and required supplementary information. The basic financial statements present two different views of the School.

Government-wide financial statements: The Statement of Net Position and the Statement of Activities report information about the School as a whole using the economic resources measurement focus and the accrual basis of accounting, similar to methods used by private-sector businesses. The Statement of Net Position reports all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term obligations. The Statement of Activities reports all revenues and expenses of the year regardless of when cash is received or paid. Net position — the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources — is one measure of the School's financial position, and changes in net position over time indicate whether that position is improving or deteriorating. All of the School's activities are governmental activities, financed principally by State funding through the Florida Education Finance Program.

Fund financial statements: The Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds report the School's individual funds using the current financial resources measurement focus and the modified accrual basis of accounting. These statements report only those assets expected to be converted to cash and those liabilities expected to be paid from current resources; capital assets and long-term obligations are not reported. Revenues are recognized when measurable and available, and expenditures are recognized when the related liability is incurred and payable from current resources. The School reports three governmental funds: the General Fund, its primary operating fund, and the Special Revenue Fund and Capital Outlay Fund, which account for resources restricted to specified purposes.

I.OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The following table summarizes the significant differences between the two presentations:

	Government-Wide Statements	Fund Financial Statements – Governmental Funds
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term	Only current financial resources, such as cash, receivables, and accounts payable
Types of revenue/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received	Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions /expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid	Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year	Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

Relationship between the statements: Because the two presentations use different measurement focuses and bases of accounting, fund balance and the net change in fund balances will differ from net position and the change in net position. Reconciliations of these differences immediately follow each of the fund financial statements and identify the effects of capital assets and related depreciation and amortization, right-of-use assets and lease obligations, and other long-term items that are reported in government-wide statements but not in governmental funds.

The notes to the financial statements provide additional information essential to a full understanding of the data in the basic financial statements. Required supplementary information follows the notes and includes the budgetary comparison schedule.

II. FINANCIAL SUMMARY

Net Position

The School's net position was $ 333,745 on June 30, 2026.

	Governmental Activities as of June 30,		
	2026	2025	Variance
Assets			
Current and Other assets	$ 688,981	$ 661,670	$ 27,311
Capital Assets, Net	1,997,568	2,084,680	(87,112)
Total Assets	**2,686,549**	**2,746,350**	**(59,801)**
Liabilities and Net Position			
Liabilities			
Other Liabilities	99,362	75,176	24,186
Long-term Liabilities (Leases, including Current Portion)	2,253,442	2,271,860	(18,418)
Total Liabilities	**2,352,804**	**2,347,036**	**5,768**
Net Position			
Net Investment in Capital Assets	(255,874)	(187,180)	(68,694)
Restricted	4,403	-	4,403
Unrestricted	585,216	586,494	(1,278)
Total Net Position	**333,745**	**399,314**	**(65,569)**
Total Liabilities and Net Position	**$ 2,686,549**	**$ 2,746,350**	**$ (59,801)**

II. FINANCIAL SUMMARY (CONTINUED)

Changes in Net Position

The following table compares the changes in the School's net position from its activities for the fiscal years ended June 30, 2026, and 2025:

	Governmental Activities as of June 30,		
	2026	**2025**	**Variance**
Revenue:			
General Revenues:			
State through Local School District	$ 824,307	$ 1,001,586	$ (177,279)
Referendum Revenues	258,099	261,705	(3,606)
Miscellaneous Revenues	68,989	128,504	(59,515)
Program Revenues:			
Operating Grants and Contributions	80,999	153,039	(72,040)
Capital Grants and Contributions	67,693	76,481	(8,788)
Total Revenue	**1,300,087**	**1,621,315**	**(321,228)**
Expenses:			
Instruction	743,871	694,802	49,069
Pupil Personnel Services	24,008	39,361	(15,353)
Instruction and Curriculum Development Services	550	150	400
Instruction Related Technology	4,233	8,245	(4,012)
Board Expenses	19,837	25,297	(5,460)
School Administration	199,031	265,230	(66,199)
Facilities Acquisition & Construction	74,303	74,303	-
Fiscal Services	35,449	43,187	(7,738)
Operation of Plant	122,024	214,591	(92,567)
Maintenance of Plant	6,535	8,865	(2,330)
Debt Service	135,815	136,782	(967)
Total Expenses	**1,365,656**	**1,510,813**	**(145,157)**
Excess (deficiency) before Unusual/Infrequent Items and Transfers	**(65,569)**	**110,502**	**(176,071)**
Unusual or Infrequent Item	-	-	-
Change in Net Position	**(65,569)**	**110,502**	**(176,071)**
Net Position - Beginning of the Year	399,314	288,812	110,502
Net Position - End of the Year	**$ 333,745**	**$ 399,314**	**$ (65,569)**

III. DETAILED ANALYSES

A. GOVERNMENT-WIDE FINANCIAL POSITION AND RESULTS OF OPERATIONS

Net position decreased $65,569, or 16.4 percent, to $333,745 at June 30, 2026. Unrestricted net position decreased $1,278 to $585,216, matching the decrease in General Fund balance. Restricted net position increased $4,403 from zero to $4,403 and consists of the Capital Projects Fund balance, which is constrained to capital and related debt-service purposes. Current and other assets increased $27,311 to $688,981, principally cash. The decrease in capital assets, net, of $87,112 is current-year depreciation and amortization of existing assets; the reconciliations identify no material capital acquisitions during the year. Lease obligations (including the current portion) decreased $18,418 as a result of scheduled principal payments. Net investment in capital assets declined $68,694 to a deficit of $255,874 because depreciation and amortization of $87,112 exceeded the related reduction in lease principal. That deficit arises because outstanding lease liabilities of $2,253,442 exceed the $1,997,568 carrying amount of capital assets. The School had no deferred outflows or deferred inflows of resources at either date.

Total revenues decreased $321,228, or 19.8 percent, to $1,300,087. Operating grants and contributions decreased $72,040, or 47.1 percent, to $80,999, reflecting a reduction in federal awards passed through the local school district (special revenue fund). State revenue received through the School District and classified as general revenue decreased $177,279 to $824,307. Referendum revenues decreased $3,606 to $258,099. Miscellaneous revenues decreased $59,515, or 46.3 percent, to $68,989. Capital grants and contributions decreased $8,788 to $67,693 and consist of state amounts passed through the District and recorded in the capital projects fund. State sources plus referendum revenues continued to provide the substantial majority of the School's resources. The School reported no charges for services in either year.

Total expenses decreased $145,157, or 9.6 percent, to $1,365,656. Instruction remained the School's largest function at 54.5 percent of total expenses and increased $49,069 to $743,871. School administration decreased $66,199 to $199,031. Operation of plant decreased $92,567 to $122,024. Pupil personnel services decreased $15,353 to $24,008. Fiscal services decreased $7,738 to $35,449. Board expenses decreased $5,460 to $19,837. Instruction-related technology decreased $4,012 to $4,233. Maintenance of plant decreased $2,330 to $6,535. Debt service, which in the government-wide statements represents interest on lease obligations, was essentially unchanged at $135,815. Facilities acquisition and construction of $74,303 consists entirely of depreciation and amortization charged to that function and was unchanged from fiscal 2025. Instruction and curriculum development services increased $400 to $550. Reductions in administration, plant operations, and selected support functions more than offset the increase in instructional spending.

The government-wide decrease in net position of $65,569 reconciles to the $3,125 increase in governmental fund balances as follows. Governmental funds report capital outlay as expenditures and lease principal as an expenditure; the statement of activities instead reports depreciation and amortization of $87,112 and treats principal payments of $18,418 as a reduction of long-term liabilities rather than as an expense. No other reconciling items were reported.

III. DETAILED ANALYSES (CONTINUED)

B. INDIVIDUAL MAJOR FUNDS

At June 30, 2026, the School's governmental funds reported Combined fund balances of $589,619 include $7,300 nonspendable, $4,403 restricted in the Capital Projects Fund, and $577,916 unassigned in the General Fund. Combined revenues were $1,300,087 and combined expenditures were $1,296,962.

General Fund: The General Fund is the School's primary operating fund. Fund balance decreased $1,278 to $585,216 at June 30, 2026. Revenues of $1,098,107 were slightly less than expenditures of $1,099,385. Of the ending fund balance, $7,300 is nonspendable for prepaid expenses and $577,916 is unassigned, representing approximately 6.5 months of General Fund operating expenditures (current expenditures exclusive of debt service). General Fund revenues consisted of state amounts passed through the local school district of $824,307, referendum revenues of $258,099, and other revenue of $15,701. In addition to instructional and support functions, the General Fund paid lease principal of $1,982 and interest of $35,673.

Special Revenue Fund: The Special Revenue Fund accounts for federal awards restricted by grant agreement to specified purposes. Revenues of $80,999, all federal amounts passed through the local school district, equaled expenditures of $80,999 and produced no change in fund balance. Expenditures were charged to instruction ($80,449) and instruction and curriculum development services ($550). The fund reported no assets, liabilities, or fund balance at June 30, 2026; there is no remaining restricted balance available for general operations.

Capital Projects Fund: Revenues of $120,981 consisted of state amounts passed through the local school district of $67,693 and other revenue of $53,288. Expenditures of $116,578 were confined to debt service on the facility lease - principal of $16,436 and interest of $100,142. The fund produced an increase in fund balance of $4,403, which is restricted at year-end and is supported by accounts receivable of the same amount. That restricted balance is also reported as restricted net position in the statement of net position. A modest capital-projects balance therefore carried forward. Additional lease principal of $1,982 and interest of $35,673 were paid from the General Fund, so that total governmental-fund lease principal and interest for the year were $18,418 and $135,815, respectively.

C. SIGNIFICANT POLICY CHANGES AND ECONOMIC FACTORS

Two results dominate fiscal 2026. Revenues fell $321,228, or 19.8 percent, to $1,300,087, led by a $177,279 decline in state general revenue and a $72,040 decline in operating grants. Expenses fell more slowly, $145,157, or 9.6 percent; instruction rose $49,069 while school administration and operation of plant declined $66,199 and $92,567. Net position decreased $65,569. Governmental funds, which do not record depreciation, still closed with a combined surplus of $3,125, of which $4,403 is restricted and the General Fund declined $1,278.

III. DETAILED ANALYSES (CONTINUED)

C. SIGNIFICANT POLICY CHANGES AND ECONOMIC FACTORS (CONTINUED)

No millage or tax-rate change applies to the School. There is no evidence in the reconciliations of a change in capitalization policy; no material capital additions were recorded, and the entire $87,112 decline in net capital assets is depreciation and amortization. No new financing was issued. The only long-term obligation is the existing facility lease, on which principal of $18,418 was repaid and interest of $135,815 was recognized. Compensation and staffing appear to have been resized in selected support and plant functions, while instructional spending increased. The School remains dependent on state funding passed through the local school district (including amounts reported as capital grants), local referendum collections, and a reduced level of federal program awards, and on its ability to service the $2,253,442 lease liability from those sources.

IV. SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets and Right-to-Use Assets

At June 30, 2026, the School reported capital assets, including right-to-use assets recognized under GASB Statement No. 87, at a historical cost of $2,440,975, net of accumulated depreciation and amortization of $443,407, or $1,997,568. Net capital assets decreased $87,112 from $2,084,680 at June 30, 2025. That decrease equals current-year depreciation and amortization of $87,112. The reconciliations of governmental funds to governmental activities identify no capital-asset additions and no disposals during the year.

Of the $87,112 of depreciation and amortization recognized in the statement of activities, $74,303 was charged to facilities acquisition and construction and $12,809 was allocated to instruction (the difference between government-wide instruction expense of $743,871 and governmental-fund instruction expenditures of $731,062). Facilities acquisition and construction expense was unchanged from fiscal 2025. The basic financial statements presented do not separately disclose the cost of owned furniture, fixtures, and equipment versus the cost of the right-to-use facility; both are included in the $2,440,975 gross amount.

Long-term Financing

The School's long-term obligations consist entirely of the facility lease obligation recognized under GASB Statement No. 87. At June 30, 2026, the obligation totaled $2,253,442, of which $21,453 is due within one year and $2,231,989 thereafter. The obligation decreased $18,418 during the year as a result of principal payments. Interest on the lease obligation was $135,815, essentially unchanged from $136,782 in fiscal 2025. No new lease, remeasurement, or other long-term financing was recorded.

Net investment in capital assets of $(255,874) equals capital assets, net, of $1,997,568 less lease obligations of $2,253,442. The $68,694 decrease from $(187,180) at June 30, 2025 consists of depreciation and amortization of $87,112, less principal payments of $18,418. Because no capital additions and no new lease principal were recorded, there was no offsetting addition and related obligation to neutralize the effect on net investment in capital assets.

V. CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The following facts, decisions, or conditions are known to management as of the date the financial statements were issued and are expected to have a significant effect on financial position or to produce significant differences from fiscal 2026 results. Prospective information that is not currently known is omitted.

Student Membership - Substantially all of the School's general-purpose operating revenue is earned through the Florida Education Finance Program and related state amounts passed through the local school district, together with local referendum collections, on a per-student basis. Government-wide state general revenue declined $177,279 in fiscal 2026, to $824,307. Because those sources vary with unweighted full-time equivalent membership, a fiscal 2027 membership at or below the fiscal 2026 level would be expected to produce FEFP and related state revenue at or below the fiscal 2026 amount, other formula factors held constant. Combined governmental-fund revenues in fiscal 2026 were $1,300,087 and combined expenditures were $1,296,962.

Lease Obligations - The School leases its facility under a GASB 87 lease. At June 30, 2026, $2,253,442 remains outstanding, including $21,453 due within one year. Fiscal 2026 cash debt service on the lease was $154,233 (principal of $18,418 and interest of $135,815), or approximately 11.9 percent of combined governmental-fund expenditures of $1,296,962. Comparable cash requirements will continue in fiscal 2027 for scheduled principal of at least $21,453 plus interest on the remaining obligation. Those payments are a known claim on General Fund and Capital Projects Fund resources and will continue to be a material share of the School's annual outlays.

Federal Awards - The fiscal 2027 outlook assumes federal awards at approximately the fiscal 2026 level of $80,999. No new award is known at the date the financial statements were issued. Fiscal 2026 federal amounts passed through the local school district were fully expended in the special revenue fund; that fund reported no carryforward.

Related Party Arrangements - The School leases its campus from Sunshine Elementary Charter School, Inc. under the GASB 87 facility lease described in Notes 4 and 6. At June 30, 2026, the lease liability was $2,253,442, of which $21,453 is due within one year. The schools also share certain administrative and maintenance employees, facility operating costs, and the National School Lunch Program, which the School administers. At year-end, $21,524 was due from Sunshine for reimbursement of shared costs (reported as due from other agencies). Continuation, amendment, or default under the Sunshine lease, or a change in the shared-cost arrangement, would affect operation of plant, debt service, the lease liability, and the related-party receivable.

Separately, the School has a one-year administrative services agreement with School Financial Services, Inc., an education service provider that is not identified as a related party in the accompanying notes. Fees of $21,100 for the year are included in fiscal services of $35,449; they are not presented as a separate management-fee line. School administration of $199,031 is the School's own administrative function. Unless the Board terminates the agreement, it renews with the charter.

No other currently known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Paragon Academy of Technology, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Paragon Academy of Technology, Inc., 502 N. 28 Avenue, Hollywood, Florida 33020.

BASIC FINANCIAL STATEMENTS

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
Current Assets	
Cash	$ 619,402
Accounts Receivable	40,755
Due from Other Agencies	21,524
Prepaid Expenses	7,300
Total Current Assets	**688,981**
Non-Current Assets	
Capital Assets, Net	1,997,568
Total Non-Current Assets	**1,997,568**
TOTAL ASSETS	**2,686,549**
LIABILITIES AND NET POSITION	
LIABILITIES	
Current Liabilities	
Salaries and Benefits Payable	98,069
Accounts Payable	1,293
Lease Liability - Due Within One year	21,453
Total Current Liabilities	**120,815**
Non-Current Liabilities	
Lease Liability - Due in More Than One Year	2,231,989
Total Non-Current Liabilities	**2,231,989**
TOTAL LIABILITIES	**2,352,804**
NET POSITION	
Net Investment in Capital Assets	(255,874)
Restricted	4,403
Unrestricted	585,216
TOTAL NET POSITION	**333,745**
TOTAL LIABILITIES AND NET POSITION	**$ 2,686,549**

The accompanying notes are an integral part of these basic financial statements.

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position: Total Governmental Activities
Governmental Activities					
Instruction	$ 743,871	$ -	$ 80,999	$ -	$ (662,872)
Pupil Personnel Services	24,008	-	-	-	(24,008)
Instruction and Curriculum Development Services	550	-	-	-	(550)
Instruction Related Technology	4,233	-	-	-	(4,233)
Board Expenses	19,837	-	-	-	(19,837)
School Administration	199,031	-	-	-	(199,031)
Facilities Acquisition & Construction	74,303	-	-	-	(74,303)
Fiscal Services	35,449	-	-	-	(35,449)
Operation of Plant	122,024	-	-	-	(122,024)
Maintenance of Plant	6,535	-	-	-	(6,535)
Debt Service	135,815	-	-	67,693	(68,122)
Total Governmental Activities	**$ 1,365,656**	**$ -**	**$ 80,999**	**$ 67,693**	**(1,216,964)**
	General Revenue:				
	State through Local School District				824,307
	Referendum Revenues				258,099
	Miscellaneous Revenues				68,989
	Total General Revenue				**1,151,395**
	Change in Net Position				**(65,569)**
	Net Position - Beginning of the Year				399,314
	Net Position - End of the Year				**$ 333,745**

The accompanying notes are an integral part of these basic financial statements.

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
BALANCE SHEET – GOVERNMENTAL FUND
AS OF JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash	$ 619,402	$ -	$ -	$ 619,402
Accounts Receivable	36,352	-	4,403	40,755
Due from Other Agencies	21,524	-	-	21,524
Prepaid Expenses	7,300	-	-	7,300
TOTAL ASSETS	**684,578**	**-**	**4,403**	**688,981**
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Salaries and Benefits Payable	98,069	-	-	98,069
Accounts Payable	1,293	-	-	1,293
TOTAL LIABILITIES	**99,362**	-	-	**99,362**
FUND BALANCES				
Nonspendable	7,300	-	-	7,300
Restricted	-	-	4,403	4,403
Unassigned	577,916	-	-	577,916
TOTAL FUND BALANCES	**585,216**	**-**	**4,403**	**589,619**
TOTAL LIABILITIES AND FUND BALANCES	**$ 684,578**	**$ -**	**$ 4,403**	**$ 688,981**

The accompanying notes are an integral part of these basic financial statements.

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2026

Total Fund Balances - Governmental Funds		**$ 589,619**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Cost of Capital Assets	2,440,975	
Less: Accumulated Depreciation	(443,407)	1,997,568
Long-term liabilities that pertain to governmental funds, including leases payable, are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:		
Leases Payable		(2,253,442)
Total Net Position - Governmental Activities		**$ 333,745**

The accompanying notes are an integral part of these basic financial statements.

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenue				
Federal passed through Local School District	$ -	$ 80,999	$ -	$ 80,999
State passed through Local School District	824,307	-	67,693	892,000
Referendum Revenues	258,099	-	-	258,099
Other Revenue	15,701	-	53,288	68,989
Total Revenue	**1,098,107**	**80,999**	**120,981**	**1,300,087**
Expenditure				
Current:				
Instruction	650,613	80,449	-	731,062
Pupil Personnel Services	24,008	-	-	24,008
Instruction and Curriculum Development Services	-	550	-	550
Instruction Related Technology	4,233	-	-	4,233
Board Expenses	19,837	-	-	19,837
School Administration	199,031	-	-	199,031
Fiscal Services	35,449	-	-	35,449
Operation of Plant	122,024	-	-	122,024
Maintenance of Plant	6,535	-	-	6,535
Debt Service:				
Repayment of Principal	1,982	-	16,436	18,418
Interest	35,673	-	100,142	135,815
Total Expenditure	**1,099,385**	**80,999**	**116,578**	**1,296,962**
Net Changes in Fund Balances (Deficit)	**(1,278)**	**-**	**4,403**	**3,125**
Fund Balance at Beginning of Year	586,494	-	-	**586,494**
Fund Balance at End of Year	**$ 585,216**	**$ -**	**$ 4,403**	**$ 589,619**

The accompanying notes are an integral part of these basic financial statements.

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Net Changes in Fund Balance - Total Governmental Funds	**$**	**3,125**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of capital acquisitions are allocated over their estimated useful lives and reported as depreciation expense.		
Depreciation Expense		(87,112)
Some capital asset additions are financed through long-term leases. In governmental funds, a lease arrangement is considered a source of financing, but in the statement of net position, the lease obligation is reported as a liability. Repayment of lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net position.		
Principal Payments - Leases		18,418
Change in Net Position of Governmental Activities	**$**	**(65,569)**

The accompanying notes are an integral part of these basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Paragon Academy of Technology, Inc. ("the School") operates as a Charter School pursuant to a Charter School Contract ("the Contract") with the School District of Broward County, Florida ("the District"). Under the Contract, the School provides a middle school education to children who reside in Broward County. The governing body of the School is the Board of Directors.

The School operates as a charter school under Section 1002.33, Florida Statutes, pursuant to a charter with the District School Board of Broward County, Florida, the sponsor under Section 1002.33(5). Under the Charter, the School provides education to children from the sixth through the eighth grade in Broward County. In April 2014, the School's charter was amended to permit the School to operate a charter school for grades six through twelve. The Charter Contract was renewed and is now effective for 5 years commencing on July 01, 2025 and ending on June 30, 2030.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School. The School is a component unit of the District.

B. Government-Wide Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business-type activities.

In the government-wide statement of net position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all current and noncurrent assets and all current and noncurrent liabilities. The School's net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are supported by general revenues. The statement of activities reduces gross expenses by related program revenues. Program revenues must be directly associated with the function. Operating grants include operating- specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements

The School's accounts are organized on the basis of funds. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund balance, revenues and expenditures.

The School reports the following major governmental funds:

General Fund – the general operating fund of the School. It is used to account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund – to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes such as Title I, IDEA funds and the National School Lunch Program.

Capital Projects Fund - to account for the proceeds Capital Outlay and other revenues that are legally restricted to expenditures for capital projects.

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. All of the School's funds were deemed major funds even if the respective fund did not meet the percentage criteria. A reconciliation is provided that converts the results of governmental fund accounting to the government - wide presentation.

D. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty (60) days. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement focus, basis of accounting, and financial statement presentation (Continued)

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund balance, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The School has a revenue spending policy that provides policy for programs with multiple revenue sources. The board of directors will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds and funds passed through the District. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The board of directors has the authority to deviate from this policy if it is in the best interest of the school.

E. Budgetary Basis of Accounting

The School's annual budgets are adopted for the entire operations of the School and may be amended by the Board of Directors (the "Board"). Since the budgetary basis differs from generally accepted accounting principles ("GAAP"), budget and actual amounts in the accompanying required supplementary information are presented on the budgetary basis. A reconciliation of revenues over expenditures presented in conformity with GAAP is set forth in the adjustments to the required supplementary information.

F. Deposits and Investments

The School's cash is considered to be cash on hand and demand deposits, with maturities of three months or less.

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than $ 750 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated acquisition values at the date of donation. As of June 30, 2026, the School carried net capital assets of $ 1,997,568.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Property, plant and equipment of the School are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Estimated Useful Lives
Building equipment	10
Building - right of use	32
Computer software and equipment	20
Furniture, fixture and equipment	5

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

H. Equity Classifications

Government-wide financial statements
Equity is classified as net position and displayed in three (3) components:

- Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – consists of components of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – all other components of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Balance
GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and it establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

- Nonspendable fund balance - includes amounts that are not in a spendable form or are required to be maintained intact and that are not expected to be converted to cash.
- Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Equity Classifications (Continued)

- Committed fund balance - includes amounts that can be used only for the specific purposes determined by a formal action of the School's highest level of decision-making authority. Commitments may be changed or lifted only by the School taking the same formal action that imposed the constraint originally.

- Assigned fund balance - comprises amounts intended to be used by the School for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

- Unassigned fund balance - the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund.

I. Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the School pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect revised calculations by the FDE under the FEFP and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives State funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for leasing school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

J. Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, deferred inflows of resources, liabilities, deferred outflows of resources, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Income Taxes

The School is a non-profit organization and is tax exempt under Section 501(c)(3) of the Internal Revenue Code. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

L. Leases

Lessee

The School is the lessee under a non-cancellable lease agreement with Sunshine Elementary Charter School, Inc. The School recognizes a lease liability and a corresponding right-of-use asset in its financial statements in accordance with applicable accounting standards. At the commencement of the lease, the School initially measures the lease liability at the present value of lease payments due during the non-cancellable lease term. The present value is calculated using the discount rate applicable at the lease commencement date. The right-of-use asset is initially measured at the amount of the lease liability, adjusted for any lease payments made at or before commencement and any initial direct costs. Key estimates and judgments related to leases include how the School determines:

- Discount rate : The School uses a 6% discount rate at the lease inception date to calculate the present value of lease payments.
- Lease Term : The lease term includes only the non-cancellable period of the lease.
- Lease Payments: Lease payments included in the measurement of the lease liability consist of fixed payments required under the lease agreement.

The School reduces the lease liability as lease payments are made and recognizes interest expense over the lease term. The right-of-use asset is amortized on a straight-line basis over the lease term, unless another systematic basis is more representative of the asset's use.

M. Adoption of New Accounting Standards

GASB Statement No. 103: During the year ended June 30, 2026, the School adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, issued in April 2024 and effective for fiscal years beginning after June 15, 2025. The objective of GASB 103 is to improve key components of the financial reporting model, and it establishes new or modified requirements related to (a) MD&A, (b) unusual or infrequent items, (c) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, (d) information about major component units in the basic financial statements, (e) budgetary comparison information, and (f) financial trends information in the statistical section.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Adoption of New Accounting Standards (Continued)

The School engages only in governmental activities, has no proprietary funds, has no component units, and does not present a statistical section. Accordingly, the requirements of GASB 103 relating to the proprietary fund statement of revenues, expenses, and changes in fund net position, to major component unit information, and to the statistical section had no effect on the accompanying financial statements. Adoption of GASB 103 affected the content and organization of MD&A, the presentation of unusual or infrequent items (of which there were none) in the statements of resource flows, and the presentation of budgetary comparison information and the related variance columns and explanations within required supplementary information, as described in Notes.

In accordance with paragraph 19 of GASB 103, changes adopted at transition are reported as a change in accounting principle in accordance with GASB Statement No. 100, Accounting Changes and Error Corrections. Because the changes affect presentation and disclosure only, adoption of GASB 103 did not result in a change to the School's net position as of July 1, 2025, or to its previously reported fund balances.

GASB Statement No. 104: *Disclosure of Certain Capital Assets* is effective for the same reporting period. The Statement requires certain capital assets — including lease assets, subscription assets, and intangible assets other than those — to be disclosed separately. The School's lease assets are already presented separately from owned capital assets in the statement of net position and in Note 5. The School has no subscription-based information technology arrangement assets and no other intangible assets. Adoption of GASB 104 therefore had no additional effect on the accompanying financial statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Fund Accounting Requirements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance related requirement, bond covenants, and segregation for management purposes. The School has various restrictions placed over certain revenue sources from federal, state, or local requirements.

Excesses of expenditures over appropriations

For the fiscal year ended June 30, 2026, the School's budgeted expenditures were consistent with the actual expenditures reported for both the General Fund and the Special Revenue Fund. This reflects the School's effective budgetary control and financial management throughout the fiscal year.

NOTE 3 – CASH

Under Chapter 280, Florida Statutes, the School's deposits must be placed in banks and savings and loans which are qualified as public depositories. The School maintains cash deposits at a bank in Florida. Deposits at the bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $ 250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer and collateral pool. As of June 30, 2026, uninsured bank deposit balances were $ 366,902.

NOTE 4 – RELATED PARTY

Sunshine Elementary Charter School, Inc. is a related party. Effective May 1, 2019, the School leased a portion of the facility that Sunshine purchased with bond proceeds. The lease is accounted for under GASB Statement No. 87 and is the obligation reported in Note 6 ($2,253,442 at June 30, 2026).

The schools share certain administrative and maintenance employees, costs to operate the facility, and the National School Lunch Program, which is administered by the School. Amounts paid or received under the sharing arrangement are recorded in the period incurred. At June 30, 2026, $21,524 was due from Sunshine Elementary Charter School, Inc. for reimbursement of shared costs and is included in due from other agencies on the statement of net position and the governmental funds balance sheet.

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Governmental Activities:				
Capital Assets being Depreciated:				
Building Equipment	$ 15,859	$ -	$ -	$ 15,859
Furniture, Fixtures & Equipment	104,759	-	-	104,759
Total Capital Assets being Depreciated	**120,618**	**-**	**-**	**120,618**
Accumulated Depreciation:				
Building Equipment	(11,237)	(1,586)	-	(12,823)
Furniture, Fixtures & Equipment	(61,038)	(12,809)	-	(73,847)
Total Accumulated Depreciation	**(72,275)**	**(14,395)**	**-**	**(86,670)**
Total Capital Assets being Depreciated, Net	**48,343**	**(14,395)**	**-**	**33,948**
Right-to-use Assets				
Building - Right of use	2,320,357	-	-	2,320,357
Less: Accumulated Amortization	(284,020)	(72,717)	-	(356,737)
Total Right-to-use Assets , Net	**2,036,337**	**(72,717)**	**-**	**1,963,620**
Total Governmental Activities Capital Assets and Right-to-Use Assets, Net	**$ 2,084,680**	**$ (87,112)**	**$ -**	**$ 1,997,568**

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Provision for depreciation and amortization was charged to functions/programs of the School as follows:

Instruction	$ 12,809
Facilities Acquisition and Construction	74,303
Total Depreciation and Amortization Expense - Governmental Activities	$ 87,112

NOTE 6 – NONCURRENT LIABILITIES

Lease Liability

On May 1, 2019, the School entered into a 32-year lease with Sunshine Elementary Charter School, Inc for use of the property designated as the middle school campus. The lease has a maturity date of June 1, 2054. A lease liability was recorded as of July 1, 2021 in the amount of $ 2,317,357. As of June 30, 2026, the value of the lease liability is $ 2,253,442. The lease has an imputed interest rate of 6.00%.

The following is a summary of changes in long-term liabilities of the School for governmental activities for the year ended June 30, 2026:

Description	Balance July 1, 2025	Additions	Deductions	Balance June 30, 2026	Due Within One Year
Lease Liability	$ 2,271,860	$ -	$ (18,418)	$ 2,253,442	$ 21,453
Total	**$ 2,271,860**	**$ -**	**$ (18,418)**	**$ 2,253,442**	**$ 21,453**

Debt service requirements to maturity for the fiscal year ended June 30, 2026, are summarized as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2027	$ 21,453	$ 134,630	$ 156,083
2028	26,399	133,221	159,620
2029	36,401	131,347	167,748
2030	39,286	129,081	168,367
2031	40,886	126,683	167,569
2032-2036	249,918	591,743	841,661
2037-2041	333,286	505,009	838,295
2042-2046	449,739	388,865	838,604
2047-2051	607,258	231,806	839,064
2052-2054	448,816	41,517	490,333
Total	**$ 2,253,442**	**$ 2,413,902**	**$ 4,667,344**

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Management Agreement

School Financial Services, Inc., an education service and support provider, offers administrative services to the School including, but not limited to, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting. The agreement calls for a fee on per student basis. The agreement is with the School for a period of one year, through June 30, 2026, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2026, the School incurred $ 21,100 in fees.

Funding

The School receives funding from the District which is received from the State of Florida that is based, in part on a computation of the number of full time equivalent (FTE) students enrolled in the School. The accuracy of the data provided by the School supporting the FTE count is subject to state audit and, if found to be in error, could result in refunds or in decreases in future funding allocations.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable school.

It is the opinion of management that the amount of revenue which may be remitted back to the State due to errors in the FTE count or amount of grant expenditures which may be disallowed by granting agencies, if any, will not be material to the financial position of the School.

NOTE 8 – RISK MANAGEMENT

The School is exposed to various risks of loss related to theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The School purchases commercial insurance for all material risks of loss to which the School is exposed, including general liability, property and workers compensation. There have been no claims in excess of insurance coverage limits during the past three years.

NOTE 9 – SUBSEQUENT EVENTS

For the year ended June 30, 2026, the School has evaluated all subsequent events through September 25, 2026, which is the date the financial statements were available to be issued, and concluded no additional subsequent events have occurred that would require recognition or disclosure in these financial statements that have not already been accounted for.

REQUIRED SUPPLEMENTARY INFORMATION

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Variance - Original to Final Budget	Actual Amounts	Variance - Final to Actual Budget
Revenue					
State passed through Local School District	$ 822,514	$ 791,433	$ 31,081	$ 824,307	$ 32,874
Referendum Revenues	247,332	254,824	(7,492)	258,099	3,275
Other Revenue	885	15,498	(14,613)	15,701	203
Total Revenue	**1,070,731**	**1,061,755**	**8,976**	**1,098,107**	**36,352**
Expenditure					
Current:					
Instruction	613,419	650,611	(37,192)	650,613	(2)
Pupil Personnel Services	5,203	24,008	(18,805)	24,008	-
Instruction Related Technology	4,734	4,233	501	4,233	-
Board Expenses	27,106	19,836	7,270	19,837	(1)
School Administration	228,411	199,032	29,379	199,031	1
Fiscal Services	38,948	35,449	3,499	35,449	-
Operation of Plant	160,344	122,026	38,318	122,024	2
Maintenance of Plant	10,358	6,535	3,823	6,535	-
Debt Service:					
Repayment of Principal	-	1,982	(1,982)	1,982	-
Interest	-	35,673	(35,673)	35,673	-
Total Expenditure	**1,093,523**	**1,099,385**	**(5,862)**	**1,099,385**	**-**
Net Changes in Fund Balances	**$ (22,792)**	**$ (37,630)**	**$ 14,838**	**$ (1,278)**	**$ 36,352**

The accompanying notes are an integral part of these basic financial statements.

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Variance - Original to Final Budget	Actual Amounts	Variance - Final to Actual Budget
Revenue					
Federal passed through Local School District	$ 101,875	$ 80,999	$ 20,876	$ 80,999	$ -
Total Revenue	**101,875**	**80,999**	**20,876**	**80,999**	**-**
Expenditure					
Current:					
Instruction	-	80,449	(80,449)	80,449	-
Instruction and Curriculum Development Services	-	550	(550)	550	-
Total Expenditure	**-**	**80,999**	**(80,999)**	**80,999**	**-**
Net Changes in Fund Balances	**$ 101,875**	**$ -**	**$ 101,875**	**$ -**	**$ -**

The accompanying notes are an integral part of these basic financial statements.

PARAGON ACADEMY OF TECHNOLOGY, INC.
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 1 - BUDGETARY BASIS ACCOUNTING

The School formally adopted a budget for the fiscal year ended June 30, 2026. Budgeted amounts may be amended by resolution of the School's governing board. Budgets are presented on the modified accrual basis of accounting, which is the same basis used for the governmental funds in the basic financial statements. The School's legal level of budgetary control is the object level within each fund.

The budgetary comparison schedules present the original budget, the final budget, and actual amounts on the budgetary basis, together with the variance between the original and final budget amounts and the variance between the final budget amounts and actual results.

NOTE 2 – EXPLANATION OF SIGNIFICANT VARIATIONS

Original budget to final budget - General Fund

Budgeted revenues decreased $8,976, to $1,061,755, principally a $31,081 reduction in state revenue, offset by higher referendum and other revenue. Budgeted expenditures increased $5,862, to $1,099,385. Instruction and pupil personnel were increased $37,192 and $18,805, and General Fund lease principal and interest of $37,655 were added. School administration and operation of plant were reduced $29,379 and $38,318.

Final budget to actual - General Fund

Expenditures of $1,099,385 equaled the final budget. Revenue exceeded the final budget by $36,352, principally $32,874 of state revenue. The fund balance declined $1,278, a $36,352 favorable variance from the final-budgeted decline of $37,630.

Original budget to final budget - Special Revenue Fund

Budgeted federal revenue was reduced $20,876, to $80,999. The original budget appropriated no expenditures. The final budget appropriated the award to instruction ($80,449) and instruction and curriculum development ($550).

Final budget to actual — Special Revenue Fund

Revenue and expenditures each equaled the final budget of $80,999. The fund closed with no change in fund balance.

OTHER REQUIRED REPORTS

Thomas & Company, CPA, PA
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Paragon Academy of Technology, Inc.
Hollywood, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Paragon Academy of Technology, Inc. (the School), as of and for the fiscal year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 25, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Thomas & Company, CPA, PA
Cooper City, Florida
September 25, 2026

Thomas & Company, CPA, PA
Certified Public Accountants and Business Consultants

MANAGEMENT LETTER
IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors
Paragon Academy of Technology, Inc.
Hollywood, Florida

Report on the Financial Statements

We have audited the financial statements of Paragon Academy of Technology, Inc. (the School), as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 25, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards.* Disclosures in that report which is dated September 25, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and/or recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is Paragon Academy of Technology, Inc. The school code assigned by the Florida Department of Education is 065381.

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Financial Condition and Management

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our assessment was performed as of the fiscal year end.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, the School's management and the District School Board of Broward County and is not intended to be and should not be used by anyone other than these specified parties.



Thomas & Company, CPA, PA,
Cooper City, Florida
September 25, 2026